



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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October 6, 2003

TO: Minerals File

THRU: Mary Ann Wright, Associate Director, Mining

FROM: D. Wayne Hedberg, Permit Supervisor

SUBJECT: Response to Potential Non-Compliance & Division Directive, Lakeview Rock Products, Lakeview Quarry, M/035/020, Salt Lake County, Utah

Date of Meeting: October 1, 2003
Purpose of Meeting: To discuss details of Division's Potential Non-Compliance/Division Directive
Location of Meeting: Division Offices - Salt Lake City
Time of Meeting: 10:00 a.m. - 11:30 a.m.
Participants: Russell Larsen, Lakeview Rock Products; Mary Ann Wright, Doug Jensen and Wayne Hedberg, DOGM

On October 1, 2003, a meeting was held at the Division of Oil, Gas & Mining offices to discuss the details of our September 19, 2003 Notice of Potential Non-Compliance letter. Mr. Russell Larsen came in and met with Division representatives to discuss the status of the outstanding permit application being prepared by Lakeview Rock Products. The following items were topics of discussion during our meeting. The status and/or resolution follows the topics discussed in *italics*. Follow-up commitments made by Mr. Larsen and the Division are outlined as well.

- Concerns regarding the resolution of the discrepancies/differences identified between the August 15, 1995 mine plan and the subsequent November 1996 development agreement signed with SLC Corporation.
Mr. Larsen stated that on August 20th he had met onsite with SLC Corporation representatives to discuss the zoning and development boundary concerns. A survey was to be performed. Mr. Larsen agreed to call Lynn Pace of SLC Corporation to check when the city surveyor (Lynn Curt) has scheduled this survey of the zoning/development

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boundary. He also agreed to schedule a meeting with Mr. Pace and OGM staff to discuss resolution of this and other discrepancies between the plan and development agreement.

- Status of the existing escrow funding agreement negotiated with Salt Lake City.
Mr. Larsen explained that Hughes and Hughes originally posted a \$55,000 reclamation surety bond with the city prior to funding a replacement escrow account. Current payments total about \$44,064. He also stated that the escrow fund is apparently not fully funded yet.
- Other development agreements, reclamation plans or similar contracts on file or pending with North Salt Lake City or Davis County.
Mr. Larsen stated that his inquiries to date have confirmed that no reclamation plans are in place with either entity, but that he wasn't certain if any development agreements exist. He did not believe that a reclamation and/or development plan was required, but thought a courtesy copy of the final plan filed with our office could be sent to North Salt Lake City.
- Construction/fabrication work occurring on and/or adjacent to the ALLROC small mine permit area (Breitling Pit).
Mr. Larsen stated that he had applied for and obtained a building permit from the North Salt Lake City Council for fabrication of a scale house/office building on the Breitling Pit property which is now owned by Hughes and Hughes. Construction is ongoing presently.
- Agreement between ALLROC and Lakeview Rock Products regarding 100,000 tons of 4-inch aggregate product to be produced for Lakeview by ALLROC.
Mr. Larsen estimated that roughly 80,000 tons of mined product has been produced and transported off the site to date. He wasn't certain how much stockpiled product would remain onsite when ALLROC terminated its mining activities. He thought that ALLROC's contract was nearly complete and they would be terminating their mining activities shortly. The properties would then be turned over to Lake View Products for continued operations.
- Mr. Larsen asked what would need to be done to allow Lakeside Products to continue ongoing mining and development activities within the Breitling Pit area while the overall Large Mine Permit application was being revised and reviewed by the Division?
We explained that a revised map and development plan would need to be prepared describing the proposed activities for the next 2-yr period along with a transitional bond to cover reclamation costs for the affected areas.

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At the conclusion of the meeting we mutually committed to do the following:

1. The Division may seek an administrative level meeting with Salt Lake City Corporation to help expedite the permitting process for the Lake View Quarry and the adjacent mining operations along Beck Street.
2. Mr. Larsen agreed to contact Lynn Pace of Salt Lake City to discuss his surveyor's schedule and to arrange a meeting between Lake View Rock Products, SLC Corp personnel and Division staff to discuss resolution of the outstanding permitting concerns between the respective plans and agreements.
3. Mr. Larsen agreed to ask Lynn Pace about the possibility of placing the Division's name on the Escrow account as a joint beneficiary.
4. Mr. Larsen also asked for, and we agreed to forward a copy of the GPS disturbed area map of the ALLROC small mine project area. He will use this map to assist him in preparing an updated operations area map and a development plan for the Breitling Pit project area.
5. He also agreed to provide a timeline for submittal of an updated and revised mining and reclamation plan for the entire Lakeview Quarry mine area proposal.

jb

attachment: ALLROC - GPS disturbed area map

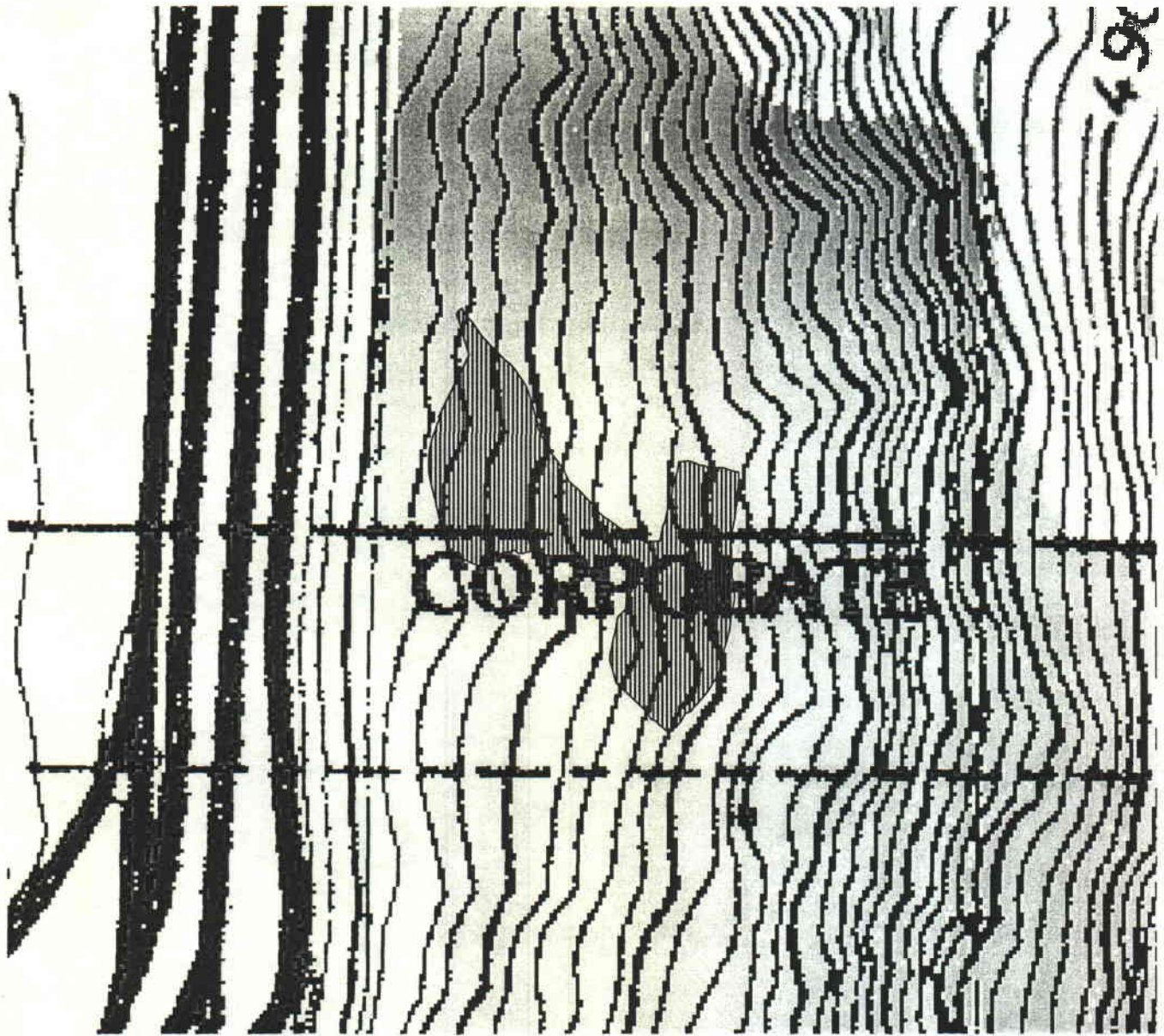
cc: Russell Larsen, Lakeview Rock Products

Mary Ann Wright, OGM

Doug Jensen, OGM

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Allroc S/035/018



400 0 400 800 Feet



Map created March 20, 2003, from GPS data gathered March 20, 2003, by Doug Jensen, Lynn Kunzler, and Paul Baker. Salt Lake City North Quadrangle. NW 1/4 Sect. 14, Township 1 North, Range 1 West, SLBM. Salt Lake (south of "Corporate" line) and Davis Counties. 5.05 acres.

 Allroc Disturbed Area